

15

PUNE TELEPHONES

**MINISTRY OF COMMUNICATIONS
(DEPARTMENT OF TELECOMMUNICATIONS)**

**PUBLIC ACCOUNTS
COMMITTEE
1990-91**

FIFTEENTH REPORT

NINTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

**FIFTEENTH REPORT
PUBLIC ACCOUNTS COMMITTEE
(1990-91)**

(NINTH LOK SABHA)

PUNE TELEPHONES

**MINISTRY OF COMMUNICATIONS
(DEPARTMENT OF TELECOMMUNICATIONS)**

[Action Taken on 149th Report (8th Lok Sabha)]



*Presented to Lok Sabha on 6 September, 1990
Laid – in Rajya Sabha on 6 September, 1990*

**LOK SABHA SECRETARIAT
NEW DELHI**

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C O N T E N T S

| | PAGE |
|---|-------|
| COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE | (iii) |
| INTRODUCTION | (v) |
| CHAPTER I Report | 1 |
| *CHAPTER II Observations/Recommendations that have been accepted by Government | 4 |
| *CHAPTER III Observations/Recommendations which the Committee do not desire to pursue in the light of the replies received from the Government | 11 |
| *CHAPTER IV Observations/Recommendations replies to which have not been accepted by the Committee and which require reiteration | 15 |
| *CHAPTER V Observations/Recommendations in respect of which Government have furnished interim replies | 17 |
| PART II | |
| Minutes of sitting of Public Accounts Committee held on 23 August, 1990. | 18 |
| APPENDIX | |
| Statement of Observations/Recommendations | 21 |

* Not enclosed with cyclostyled copies.

PUBLIC ACCOUNTS COMMITTEE

(1990-91)

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SECRETARIAT

1. Shri G.L. Batra — *Joint Secretary*
2. Shri G.S. Bhasin — *Deputy Secretary*

INTRODUCTION

1. I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Fifteenth Report on Action Taken by Government on recommendations of the Public Accounts Committee contained in their 149th Report (8th Lok Sabha) relating to Pune Telephones.

2. In their earlier Report the Committee had noted that the Department of Telecommunications expected to clear the waiting list as on 31.3.87 for providing new telephone connections in the Pune Telephone District by 31.3.1990. However, a gap of the backlog generated during the three years would still be outstanding. The Committee had desired that efforts should be made to reduce the waiting list by meeting the demand to the maximum possible extent. While noting the contention of the Department that with the acceleration in providing new connections, the waiting list generally swells up considerably as more aspirants for new connections register their names in the waiting list, the Committee have observed that this is a general phenomenon and is not peculiar to Pune alone and therefore this situation only underlines the need for drafting the perspective plans properly.

3. The Committee have also reiterated their earlier recommendation that the level of utilisation of exchange capacity should be assessed only with reference to the lines actually in operation and not merely based on the issue of sanctions for utilisation.

4. This report was considered by the Public Accounts Committee at their sitting held on 23 August, 1990. Minutes of the sitting form Part II of the Report.

5. For facility of reference and convenience, the recommendations and conclusions of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in the Appendix of the Report.

6. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

NEW DELHI;
August 23, 1990

Bhadra 1, 1912 (*Saka*)

SONTOSH MOHAN DEV
Chairman,
Public Accounts Committee.

CHAPTER I

REPORT

This Report of the Committee deals with the action taken by Government on the Committee's Observations/Recommendations contained in their 149th Report (8th Lok Sabha) on Paragraph 36 of the Report of the Comptroller and Auditor General of India for the year ended 31 March, 1987 (No. 4 of 1988), Union Government (Posts and Telecommunications) relating to "Pune Telephones".

2. The 149th Report, which was presented to Lok Sabha on 19 April, 1989, contained 14 observations/recommendations. Action Taken Notes have been received in respect of all the 14 recommendations. The replies received from the Ministry of Communications (Deptt. of Telecommunications) have been broadly categorised as under:

(i) Recommendations and observations that have been accepted by Government.

Sl. Nos. 1, 2, 4, 7, 8 and 11 to 13

(ii) Recommendations and observations that the Committee do not desire to pursue in the light of replies received from Government.

Sl. Nos. 3, 6, 9, 10 and 14.

(iii) Recommendations and observations replies to which have not been accepted by Government and which require reiteration.
Sl. No. 5.

(iv) Recommendations and observations in respect of which Government have furnished interim replies.

—NIL—

3. The Committee will now deal with Action Taken by Government on some of their Recommendations/Observations.

(i) *Gap Between Demand for New Telephone Connections and Additional Facilities Created.*
(Sl. No. 2, Para 1.18)

4. While dealing with the gap between the demand for new telephone connections and the additional facilities created by the Department in Pune Telephones, the Committee had, in their earlier Report *inter alia* observed :

"The Committee regret to note that while the Department has failed to achieve the targets of providing additional lines, the number of applicants in the waiting list is steadily on the increase. While the shortfall in providing new lines during 7 years ending 31.3.1987 was

17,860, the number of applicants in the waiting list as on 31.3.1987 was 30,250. This shows that provision of telephone facilities by the Department has not been able to keep pace with the demand for additional telephones. The Department expects to clear the waiting list as on 31.3.1987 by 31.3.1990. Thus, a gap of the demand generated during the 3 years would be outstanding. The Committee hope that all efforts will be made to reduce the waiting list by meeting the demand of public to the maximum extent possible."

5. In their action taken note furnished to the Committee, the Department of Telecommunications have stated that :

"Efforts will be made to reduce the waiting list for new telephones to the extent possible depending upon the allotment of equipment as desired by PAC. However, the experience shows that with the acceleration in providing new connections the waiting list swells up considerably as more new aspirants for new connections register their names in the waiting list."

6. The Committee have been informed that efforts will be made by the Department of Telecommunications to reduce the waiting list for new telephones in Pune to the extent possible depending upon the allotment of equipment. It has, however, been pleaded that with the acceleration in providing new connections, the waiting list generally swells up considerably as more aspirants for new connections register their names in the waiting list. The Committee observe that this is a general phenomenon and is not peculiar to Pune alone. This only underlines the need for drafting the perspective plans properly.

(ii) Norm for utilisation of the Exchange capacity

(Sl. No. 5, Para 1.33)

7. Commenting on the extent of utilisation of the installed capacity of telephone exchanges, the Committee had observed :

"The Committee note that though according to the Department 92% of capacity stood utilised as on 31st March, 1988, the number of new connections actually given during the 8 years ended 1987-88 was only 25,000 and with reference to actual connections given, the percentage of utilisation was hardly 85 on 31st March, 1988. As work orders are being issued immediately after commissioning of new exchanges without ensuring feasibility of utilisation, the Committee feel that the achievement of targets reported to the Committee is based on programme drawn for utilisation and not on actual utilisation. In the circumstances, the Committee are concerned to note that an exaggerated level of operational efficiency relating to utilisation of facility has been furnished. The Committee recommend that the level of utilisation should be assessed only with reference to lines actually in operation and that assessment should be done monthly so that effort may be directed in time to enhance utilisation of capacity and

reduce potential loss of revenue. The Committee recommend that the reasons for poor utilisation may be investigated and steps taken to improve utilisation.”

8. In their action taken note furnished to the Committee, the Department of Telecommunications have stated that :

“The fixation of target for the utilisation of exchange capacity is usually a fixed percentage of the installed capacity of exchange equipment. Whenever, a new exchange is commissioned or new capacity is added in an exchange 90% of the capacity is to be utilised by giving new telephone connections in about 6 months time. However, the release of new connections is subject to the availability of local cables/lines, line materials, compliance of commercial formalities by the telephone subscribers, payment of demand notes etc. It is observed that most of the switching capacity is added towards the end of the financial year.

The utilisation of switching capacity in Pune Telephones in the previous period has been poor mostly on account of inadequate supply of cables, line materials etc. However, during the financial year 1988-89, the utilisation of the switching capacity has improved upto 90%. The status as on 1st March, 1989 is as under :

| | | |
|---|---|-------|
| Equipped capacity | : | 68615 |
| Working connections | : | 62299 |
| Waiting list | : | 43253 |
| Percentage utilisation of switching capacity | : | 90.8 |

The above status includes the rural area of Pune Telephone District. During the month of March, 1989, about 20,000 new switching capacity has been added in Pune, the connections from which shall be released progressively during the year 1989-90.”

9. The Committee had made a specific recommendation that the level of utilisation of exchange capacity should be assessed only with reference to the lines actually in operation and not merely based on the proposed programme of utilisation. The Committee had also recommended that such assessment should be done on a monthly basis so that adequate steps could be taken in time to enhance utilisation of the capacity and thereby reducing potential loss of revenue. This particular aspect of the matter does not appear to have been considered. The Committee, therefore, reiterate their earlier recommendation that the level of utilisation of exchange capacity should be assessed only with reference to the lines actually in operation and not merely based on the issue of sanctions for utilisation. The Committee would like to know whether 90% of the new 20,000 switching capacity installed in March, 1989 are utilised and since when.

CHAPTER II

RECOMMENDATIONS AND OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

The Committee note that as against the target of creating 40,770 additional lines during the year 1980—87, the actual achievement during these years was only 22,910 lines which works out to 56 per cent of the target. The shortfall of 10,000 lines during 1986-87 has been attributed to the rejection by Government of a proposal of Pune Telephones to import new exchanges. Other reasons which have been given to Audit for non-achievement of targets were paucity of funds, area transfers, non-availability of cable pair etc. etc. None of the aforesaid reasons are such as cannot be foreseen with a little much seriousness in Planning. Infact, these are the stock reasons given by Government for the shortfalls in the execution of all projects. The Committee are of the view that neither the targets had been fixed realistically after taking into account all identifiable constraints nor serious efforts have been made to achieve the target by overcoming the various constraints. The Committee need hardly emphasize that target should invariably be fixed realistically after taking into account all foreseeable constraints and once the targets are so fixed no effort should be spared to achieve them by overcoming whatever constraints come in the way.

[Sl. No. 1, Para 1.17 of 149th Report of P.A.C. (8th Lok Sabha)]

Action taken

Further strengthening of the process of fixation of targets and their monitoring during the year have been taken up, based on the experience of past years.

This has been approved by Advisor (O).

This has been vetted by Director of Audit, P&T,
vide their UO No. RR-1/2(d)/3056/2702, dt. 15.1.90.

[Ministry of Communications (Department of Telecommunications)
No. 20-5/87 — PHM(Vol.III)]

Recommendation

The Committee regret to note that while the Department has failed to achieve the targets of providing additional lines, the number of applicants in the waiting list is steadily on the increase. While the shortfall in providing new lines during 7 years ending 31.3.1987 was 17,860, the number of applicants in the waiting list as on 31.3.1987 was 30,250. This

shows that provision of telephone facilities by the Department has not been able to keep pace with the demand for additional telephones. The Department expects to clear the waiting list as on 31.3.1987 by 31.3.1990. Thus, a gap of the demand generated during the 3 years would be outstanding. The Committee hope that all efforts will be made to reduce the waiting list by meeting the demand of public to the maximum extent possible.

[Sl. No. 2, Para 1.18 of 149th Report of P.A.C. (8th Lok Sabha)]

Action taken

Efforts will be made to reduce the waiting list to the extent possible depending upon the allotment of equipment as desired by PAC. However, the experience shows that with the acceleration in providing new connections the waiting list swells up considerably as more new aspirants for new connections register their names in the waiting list.

This has been approved by Advisor (O).

This has been vetted by Director of Audit, P&T, vide their UO No. RR-1/2(d)/3056/2702 dt. 15.1.90

[Ministry of Communications (Department of Telecommunications)
No. 20-5/87 — PHM(Vol.III)]

Recommendation

One of the causes for substantial increase in demand for telephone connections in Pune has been stated to be the constant migration of people to Pune from Bombay on account of congestion in Bombay. This is a phenomenon special to the city of Pune because of its proximity to the metropolitan city of Bombay. This phenomenon is likely to last for long time to come. The Committee, therefore, recommend that the impact of the continuous migration of people from Bombay should be assessed and kept in view while planning the addition of new lines in the Pune Telephone District.

[Sl. No. 4, Para 1.20 of 149th Report of P.A.C. (8th Lok Sabha)]

Action taken

The impact of continuous migration of people to Pune has been taken note of and projection of anticipated demand is being worked out at a higher growth rate. To meet this additional demand, DOT will endeavour to make necessary allocation of equipment.

This has been approved by Advisor (O).
 This has been vetted by Director of Audit, P&T,
 vide their UO No. RR-1/2(d)/3056/2702 dt. 15.1.90

[Ministry of Communications (Department of Telecommunications)
 No. 20-5/87 — PHM(Vol.III)]

Recommendation

The Committee have been informed that the existing time limit of 15 days for execution of work orders is workable one except in respect of bulk release. But, the Department does not verify the feasibility of installation of the premises of wait listed applicants before issue of work orders, leading it to the Telephone Exchange personnel to visit the place, see whether cable is available or not and take action for providing the connections. The Committee do not approve of the Administration in this regard because no purpose is served by issue of work order which is not capable of timely execution. On the other hand, the present practice tends not only leave the entire responsibility for planning and execution to the lower staff but also encourages malpractices in allotment of priorities for execution of work orders. The Committee recommend that the management must draw up a workable programme for installation of new lines in the case of bulk releases, issue work orders that are capable of implementation within prescribed period and monitor and oversee implementation of their orders so as to see that the new exchange is brought to optimum use within the prescribed period of 6 months. For this purpose the Department must establish norms for the new connections per required in case of bulk releases as otherwise no parameter exist for assessing efficiency of the Department in this regard.

[Sl. No. 7, Para 1.35 of 149th Report of P.A.C. (8th Lok Sabha)]

Action taken

Copy of the circular issued is enclosed at Annex. A.

This has been approved by Advisor (O).
 This has been vetted by Director of Audit, P&T,
 vide their UO No. RR-1/2(d)/3056/2702 dt. 15.1.90

[Ministry of Communications (Department of Telecommunications)
 No. 20-5/87 — PHM(Vol.III)]

Government of India
Ministry of Communications
Department of Telecommunications
Telecom Directorate

Sanchar Bhavan
20, Ashoka road
New Delhi-110001

No. 2-23/89-PHA

Dated the 25th Oct. 1989

To

Chief General Managers, Telecommunication Circles Chief General Managers, Telephones, Delhi/Calcutta/Madras/Bombay.

Managing Director, MTNL, New Delhi.

Subject: Norms for execution of work orders for provision of new telephone connections in bulk release cases.

Norms for execution of work orders for provision of new connections, accessories and shifts to subscribers are prescribed every year under yearly telecom operations plan (targets and guidelines issued from Directorate). These norms are applicable for piecemeal releases but no norms for provision of new telephone connections has been prescribed when bulk release is done on availability of spare exchange capacity due to expansion or installation of new telephone exchange. The Public Accounts Committee (8th Lok Sabha) has recommended that a time limit for execution of work orders under bulk release should be prescribed so as to assess the efficiency of the Department. The matter has been examined.

2. It has now been decided that the following norms for execution of work orders in bulk release of telephone connections would be as follows:

| | Time Limit |
|-----------------------------|------------|
| (a) multiexchange systems | 30 days |
| (b) single exchange systems | 15 days |

3. Often, work orders are issued in advance, in anticipation of commissioning of expansion/new exchange capacity to enable provision of telephone connections as soon as the capacity becomes available. In such cases, the date of cut over of the expansion/new exchange would be taken as the date of the work order.

4. The MIS Branch in the Directorate would issue the group targets for various circles/Telephone districts for each year.

5. Please issue suitable instructions to your subordinate units to ensure

that the above norms are met whenever bulk release of telephone connections is done in their areas.

Hindi version will follow.

Copy to:

1. Member (Services)
2. Adviser(O)/Adviser(HRD)/Adviser (P)
3. All Chief General Managers/General Managers in Directorate.
4. DGM(MSS)/DGM(MIS)

Recommendation

The target of adding 300 telex lines during the period 1981-82 to 1986-87, only 230 lines were added to the network. The shortfall of 70 lines was stated to be due to non-supply of 70 lines equipment by the ITI. The Committee would like to know the present position of provision of telex lines in addition to the already installed 230 lines.

[Sl. No. 8, Para 2.9 of 149th Report of P.A.C. (8th Lok Sabha)]

Action taken

The balance 70 lines have since been commissioned on 21.5.88. The present capacity of Pune Strowger telex exchange is 560 lines.

This has been approved by Advisor(O).

This has been vetted by Director of Audit, P&T,
vide their UO No. RR.1/2(d)/3056/2702, dt.15.1.90.

[Ministry of Communications (Department of Telecommunications)
No. 20-5/87-PHM(Vol.III)]

Recommendation

The percentage of effective calls exceeded during all the years except 1983-84 and 1984-85 when there were shortfalls of 1.4 per cent and 7.3 per cent respectively. However, the apparent achievement of target in most years was due to the target being kept at the same level for a number of years rather than setting it higher as the personnel acquired experience. The Committee deprecate the practice of non-revision of target for effective calls for years together as a serious lapse on the part of the Department. The Committee consider this as an effort on the part of the Department to conceal its inefficiency as well as the loss of potential revenue. Even so the shortfalls during 1983-84 and 1984-85 resulted in loss of revenue amounting to Rs. 48.39 lakhs. The reasons given to Audit for non-achievement of target are of general nature. The factors like absenteeism, weather conditions, type of available circuits, staff strength etc. which have been advanced as reasons for shortfalls by the Department are not acceptable to the Committee as such factors must have been taken

into account while fixing the targets. The Committee recommend that the methodology of fixing targets for effective calls should be reviewed so as to ensure that the targets are fixed in a scientific and systematic manner after taking into account all relevant factors so that the targets serve as an effective control to improve efficiency as well as to measure it.

[Sl. No. 11, Para 3.12 of 149th Report of P.A.C. (8th Lok Sabha)]

Action taken

The targets were fixed on as realistic basis as possible considering the habits of the subscribers, quality of transmission media and availability of staff position. The cancellation of trunk calls is not within the control of administration, as subscribers keep on trying on STD also. However, the recommendation of Committee that targets be fixed in a scientific and systematic manner after taking into account all relevant factors has been duly noted.

This has been approved by Advisor(O).

This has been vetted by Director of Audit, P&T, *vide* their UO No. RR-1/2(d)/3056/2702, dated 15.1.90.

[Ministry of Communications (Department of Telecommunications)
No. 20-5/87-PHM(Vol. III)]

Recommendation

The constant increase in the percentage of calls cancelled due to departmental failure is also a matter of great concern. The Committee hope that the reasons for constant increase in the percentage of calls cancelled will be analysed in detail with a view to taking steps to bring down this figure to the minimum. The Committee desired that the results of such an analysis and the steps taken to bring down the percentages of calls cancelled due to department failure may be intimated to the Committee.

[Sl. NO. 12, Para 3.13 of 149th Report of P.A.C. (8th Lok Sabha)]

Action taken

Detailed analysis as to ascertain the cause of failures due to departmental reasons has been carried out and the results are broadly classified as under:

- | | |
|---|--------|
| 1. Failure due to departmental reasons: | 17-20% |
| 2. Media/channels/line out of order: | 2-3% |
| 3. Distant subscribers unget/noreply busy: | 6-7% |
| 4. Local subscribers unget/line out of order: | 6-7% |
| 5. Delay in connecting the calls: | 3-4% |

Remedial action being taken

- i. Connecting D/O SLOD circuits on the modern exchanges to all major cities as far as possible.
- ii. Proposal to install new computerised trunk exchange and Digital Tandem Exchange at Pune to reduce the junction failures.
- iii. Position is expected to improve after stable media like UHF, Digital, Coaxial M/W systems are installed.
- iv. Introduction of trunk offering facility on the SLOD circuits. The above measures are likely to improve the performance. No doubt, analog transmission media is available at Pune but the digital media which is more stable is not yet available at present.

This has been approved by Advisor(O).

This has been vetted by Director of Audit, P&T,
vide their UO NO.RR-1/2(d)/3056/2702,dt.15.1.90

[Ministry of Communications (Department of Telecommunications)
No. 20-5/87-PHM(Vol.III)]

Recommendation

One of the reasons given for high percentage of failure of STD calls is the limited efficiency of the Pune Exchanges due to its ageing. The Department have stated that action was being taken to replace them. The Committee would like to be apprised of the further progress in the matter and also the results of other measures adopted to improve the success level of STD calls.

[Sl. No.13, Para 3.14 of 149th Report of P.A.C. (8th Lok Sabha)]

Action taken

Pune Telephones was not having any trunk automatic exchange and the performance of the STD services was dependent on the efficiency of pentaconta TAX Bombay. In the year 1988 a digital trunk automatic exchange has been commissioned in Pune and the subscribers are now using digital TAX for national and international STD services which have considerably improved. The average calls success rate is now 76%. Microprocessor based Traffic recorder has been installed for monitoring the performance of IC/OG circuit at Pune MUX centre.

This has been approved by Advisor(O).

This has been vetted by Director of Audit, P&T,
vide their UO NO. RR.1/2(d)/3056/2702,dt.15.1.90

[Ministry of Communications (Department of Telecommunications)
No. 20-5/87-PHM(Vol.III)]

CHAPTER III

RECOMMENDATIONS AND OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN THE LIGHT OF THE REPLIES RECEIVED FROM GOVERNMENT

Recommendation

The Committee have been informed that the Department propose to commission 20,000 lines in each of the year 1988-89 and 1989-90 and another 48,000 lines in first three years of eighth plan. The specific programme included in the above targets are 3 new exchanges for a total capacity of 20,000 lines at Hadapsor, (4,000 lines). Maharis-hi Karve (10,000 lines) and Mahad-ji-Shinde (6,000 lines). Of these, the Committee have also been informed that 14,000 lines will only be brought to use upto 31st March, 1989. The Committee would, therefore, like to be intimated of the Plan of action actually drawn to provide an additional 40,000 lines in 1988-89 and 1989-90 to meet the total target for these years. If, however, there are no new programmes under implementation in these two years, the Committee would desire to know the basis on which committee were informed of plan to create 40,000 lines in the two years.

[Sl. No. 3, Para 1.19 of 149th Report of P.A.C. (8th Lok Sabha)]

Action taken

During 1988-89, 20,000 lines have since been commissioned in Pune Telephones (Hadapsor 4K, Erandwana 10K and Mahad-ji-shinde 6K).

For 1989-90, about 20,000 lines have been planned, the commissioning of which will depend on equipment supplies and allotment of funds.

For the first 3 years of 8th Five Year Plan 6BK lines (E-10B lines 54K+C-DOT lines 14K) have been allotted for Pune Telephones. These could be commissioned depending on availability of supplies and infrastructure.

This has been approved by Advisor(O).

This has been vetted by Director of Audit, P&T,
vide their UO No. RR.1/2(d)/3056/2702, dt. 15.1.90.

[Ministry of Communications (Department of Telecommunications)
No. 20-5/87-PHM (Vol.III)]

Recommendation

The Committee have been informed that the target for 7th Plan is to ensure clearance of waiting list applications as on 31st March, 1987 which stood at 30,250 and that the Department expect achievement of the target.

However, it is noticed that during 1987-88, 3247 new connections were given and about 4300 work orders for connections were pending execution at the end of that year and that another 14,000 connections are likely to be given between January, 1989 and March, 1990 from the 3 new exchanges under commissioning. Even if these expectations for 1988-89 and 1989-90 are met in full, the Committee feel that not more than 22,000 connections can be given out of the wait listed number of 30,250 thus leaving 25% at least of the waiting list to be cleared in 8th Plan. The Committee may be intimated of the actual programme drawn to clear the backlog of wait listed applicants upto 31st March, 1987.

[Sl. No. 6, Para, 1.34 of 149th Report of P.A.C. (8th Lok Sabha)]

Action taken

The backlog in clearance of waiting list as on 31.3.87 is about 10,000. The equipment allotment programme for 1989-90 and 1990-91 is as under:

| | | |
|-----|---------|--------|
| i. | 1989-90 | 20.5 K |
| ii. | 1990-91 | 18 K |

On Commissioning of above equipment and with suitable area transfers, the above backlog is likely to be cleared.

This has been approved by Advisor(O).

This has been vetted by Director of Audit, P&T,
vide their UO No. RR.1/2(d)/3056/2702, dt. 15.1.90.

[Ministry of Communications (Department of Telecommunications)
No. 20-5/87-PHM(Vol.III)]

Recommendation

As on 1st January, 1989, 115 registrants were on the waiting list for new telex connections, the earliest subscriber in the waiting list having been registered on 19th February, 1987. The Department have intimated that a number of steps have been taken for providing new telex connections. The Committee would like to know the results of these measures.

[Sl. No. 9, Para 2.10 of 149th Report of P.A.C. (8th Lok Sabha)]

Action taken

As regards the persons on the waiting list for telex connections as on 1.1.89 being 115, it may be stated that there has been delays in providing the connections on account of the following reasons:

1. Non-availability of cable pairs in the location of telex demand. This is on account of the factor that the cable planning is done usually on the demand for telephones and accordingly the cable estimate is prepared and work executed for cable laying. Similar is the reason for junction cables.
2. Some telex capacity is reserved for the demand from non-feasible areas till they become feasible.

3. Delayed compliance of commercial formalities by the subscribers.

During the three months from 1.1.89 to 31.3.89 the waiting list has been reduced from 115 to 51 and thereby improving the percentage utilisation also to over 87%.

During this year 1989-90, the telex capacity has already been enhanced by 70(690 to 760) in order to provide relief to subscribers waiting for telex connections for a long time. Total 55 new connections have been provided during the period from 1.4.89 to 31.8.89. With the release of new connections, new demand for telex connections is also coming up. As per the objective of 7th plan, telex connection is expected to be provided on demand and therefore, spare capacity should always be available to meet this objective.

This has been approved by Advisor(O).

This has been vetted by Director of Audit, P&T,
vide their UO No. RR.1/2(d)/3056/2702,dt.15.1.90.

[Ministry of Communications (Department of Telecommunications)
No. 20-5/87-PHM(Vol.III)].

Recommendation

The Committee further note that the telex network was not utilised to the overall extent of 92% of the equipped capacity resulting in loss of potential revenue of Rs. 52.05 lakhs during 1983-84 to 1987-88. The main reasons for under utilisation were that the system involves use of common telecommunication network, there were certain bottlenecks like short supply of cables and other connecting materials, as also delayed compliance of formalities by subscribers. The Committee would like to know what steps have been taken to sort out the various causes for under utilisation and what has been the effect of such steps on the level of utilisation.

[Sl. No. 10, Para 2.11 of 149th Report of P.A.C. (8th Lok Sabha)]

Action taken

The improvement in supply of equipment and availability of cable pairs has resulted in better utilisation of installed capacity as reflected in the reply to para 2.10. However, delays involved in completion of formalities by subscribers are unavoidable.

This has been approved by Advisor(O).

This has been vetted by Director of Audit, P&T,
vide their UO NO. RR.1/2(d)/3056/2702,dt.15.1.90.

[Ministry of Communications (Department of Telecommunications)
No. 20-5/87-PHM(Vol.III)]

Recommendation

The Committee note that while on the one hand, the realisations are substantially below the targets since 1984-85, on the other hand the operational expenses have been for more than the targetted figure with the result that overall performance in financial terms is not satisfactory. Both in the case of shortfall in revenue as well as excess of operating expenses the reasons given are of general nature. The Committee feel that the Department has not made systematic study and analysis of either of the phenomena. The Committee are therefore not convinced with the reasons given for these slippages. The Committee are also of the view that the methodology of fixing targets needs to be reviewed to ensure that the targets fixed are as realistic and also serve as effective control for assessing efficiency. The Committee also desire that a suitable system of analysing variances from the targets should also be introduced with a view to locating and controlling causes for slippages as well as identifying and encouraging factors favourable for overall efficiency of the system.

[Sl. No. 14, Para 4.8 of 149th Report of P.A.C. (8th Lok Sabha)]

Action Taken

The services can be maintained only by utilising resources of men, materials and money. The operating ratio for this district has been kept low. The percentage of expenditure for Pune Telecom. for the year 1987-88 was 27.65% as against 29.2% for the year 1986-87.

The lenier increases of targets from year to year is not practicable to achieve beyond a certain limit on account of many other factors. The DOT in their reply to PAC have already mentioned that the performance of Pune Telecom. has been within the group control limits. Efforts will be made to improve upon the performance.

This has been approved by Advisor(O).

This has been vetted by Director of Audit, P&T,
vide their UO NO. RR.1/2(d)/3056/2702, dt.15.1.90.

[Ministry of Communications (Department of Telecommunications)
No. 20-5/87-PHM(Vol. III)]

CHAPTER IV

RECOMMENDATIONS AND OBSERVATIONS REPLIES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND REQUIRE REITERATION

Recommendation

The Committee note that though according to the Department 92% of capacity stood utilised as on 31st March, 1988, the number of new connections actually given during the 8 years ended 1987-88 was only 25,000 and with reference to actual connections given, the percentage of utilisation was hardly 85% on 31st March, 1988. As work orders are being issued immediately after commissioning of new exchanges without ensuring feasibility of utilisation, the Committee feel that the achievement of targets reported to the Committee is based on Programme drawn for utilisation and not on actual utilisation. In the circumstances, the Committee are concerned to note that an exaggerated level of operational efficiency relating to utilisation of facility has been furnished. The Committee recommend that the level of utilisation should be assessed only with reference to lines actually in operation and that assessment should be done monthly so that effort may be directed in time to enhance utilisation of capacity and reduce potential loss of revenue. The Committee recommend that the reasons for poor utilisation may be investigated and steps taken to improve utilisation.

[Sl. No. 5, Para 1.33 of 149th Report of P.A.C. (8th Lok Sabha)]

Action taken

The fixation of target for the utilisation of exchange capacity is usually a fixed percentage of the installed capacity of exchange equipment. Whenever, a new exchange is commissioned or new capacity added in a exchange, 90% of the capacity is to be utilised by giving new telephone connection in about 6-months time. However, the release of new connections is subject to the availability of local cables/lines, line materials, compliance of commercial formalities by the telephone subscribers, payment of demand notes etc. It is observed that most of the switching capacity is added towards the end of the financial year.

The utilisation of switching capacity in Pune Telephones in the previous period has been poor mostly on account of inadequate supply of cables, line materials etc. However, during the financial year 1988-89,

the utilisation of the switching capacity has been improved upto almost 90%. The status as on 1st March, 1989 is as under:

Equipped capacity : 68615

Working connections : 62299

Waiting list : 43253

Percentage Utilisation of switching capacity : 89.85

The above status include the rural area of Pune Telephone District. During the month of March, 1989, about 20,000 new switching capacity has been added in Pune, the connections from which shall be released progressively during the year 1989-90.

This has been approved by Advisor(O).

This has been vetted by Director of Audit, P&T
vide their UO No. RR-1-2(d)/3056/2702, dt. 15.1.90.

[Ministry of Communications (Department of Telecommunications)
No. 20-5/87-PHM(Vol.III)]

CHAPTER V

**RECOMMENDATIONS AND OBSERVATIONS
IN RESPECT OF WHICH GOVERNMENT HAVE
FURNISHED INTERIM REPLIES**

—NIL—

NEW DELHI;
23 August, 1990

1 Bhadra, 1912, (Saka)

SONTOSH MOHAN DEV,
Chairman,
Public Accounts Committee.

PART II

MINUTES OF THE SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 23RD AUGUST, 1990 IN COMMITTEE ROOM No. 50, PARLIAMENT HOUSE

The Committee sat from 15.00 hrs. to 17.30 hrs.

PRESENT

Shri Sontosh Mohan Dev—*Chairman*

MEMBERS

2. Shri Ramesh Bais
3. Shri Nirmal Kanti Chatterjee
4. Shri Manjay Lal
5. Shri M.S. Pal
6. Shri Shantilal Purushottamdas Patel
7. Shri H. Hunumantappa
8. Shri Kamal Morarka
9. Shri Vishvjit P. Singh
10. Shri Rameshwar Thakur

SECRETARIAT

1. Shri G.L. Batra— *Joint Secretary*
2. Shri G.S. Bhasin—*Deputy Secretary*

REPRESENTATIVES OF AUDIT

1. Shri R. Parameswar, Dy. C&AG
2. Shri S.B. Krishnan, Principal Director (Reports)
3. Shri K. Jayaraman, Dy. Director (Railways)
4. Shri V.A. Mahajan, Director General of Audit (P&T)
5. Mrs. Ajanta Dayalan, Director of Audit (P&T)
6. Shri Dharam Vir, P., Director of Audit ICR, New Delhi
7. Shri A.K. Menon, Director General of Audit (Defence Services)
8. Shri R.P. Singh, Director of Audit (Defence Services)

2. The Committee considered the following draft Reports and adopted the same subject to certain modifications and amendments as indicated in Annexure I

* * * * *

iii) Draft Report on action taken on the 149th Report of PAC (8th LS) regarding Pune Telephones.

* * * * *

3. The Committee authorised the Chairman to finalise these draft Reports in the light of verbal changes and minor modifications/ amendments arising out of factual verification by the audit and present the reports to the House.

The Committee then adjourned.

ANNEXURE—I

MODIFICATIONS/AMENDMENTS MADE IN THE DRAFT REPORT ON ACTION TAKEN ON 149TH REPORT OF PAC (8TH LOK SABHA)

| <i>Page</i> | <i>Para</i> | <i>Line(s)</i> | <i>Modifications/Amendments</i> |
|-------------|-------------|---------------------------|---|
| 3 | 6 | 10 | <i>For</i> alone. The <i>Read</i> alone. This only under-lines the need for drafting the perspective plans properly. <i>Delete</i> the following matter between lines 10 of page 3 and 5 of page 4: "The Committee are thus of the viewdirection in due course." |
| 4 | 7 | 17 | <i>For</i> 85% <i>Read</i> 85 |
| 5 | 8 | 8 (From top of page 8) | <i>For</i> of commercial <i>Read</i> of commercial formalities by the telephone subscribers |
| | | 17-18 | <i>For</i> has been improved upto almost 90% <i>Read</i> has improved upto 90% |
| | | 23 | <i>For</i> 89.85 <i>Read</i> 90.8 |
| 6 | 9 | 7 | <i>For</i> for utilisation. The Committee would.....in due course. <i>Read</i> for utilisation. The Committee would like to know whether 90% of the new 20,000 switching capacity installed in March, 1989, are utilised and since when. |

APPENDIX

Conclusions and Recommendations

| Sl. No. | Para No. | Ministry/ Deptt. concerned | Conclusions/Recommendations |
|---------|----------|------------------------------|---|
| 1. | 6 | Deptt. of Telecommunications | The Committee have been informed that efforts will be made by the Department of Telecommunications to reduce the waiting list for new telephones in Pune to the extent possible depending upon the allotment of equipment. It has, however, been pleaded that with the acceleration in providing new connections, the waiting list generally swells up considerably as more aspirants for new connections register their names in the waiting list. The Committee observe that this is a general phenomenon and is not peculiar to Pune alone. This only underlines the need for drafting the perspective plans properly. |
| 2. | 9 | -do- | The Committee had made a specific recommendation that the level of utilisation of exchange capacity should be assessed only with reference to the lines actually in operation and not merely based on the proposed programme of utilisation. The Committee had also recommended that such assessment should be done on a monthly basis so that adequate steps could be taken in time to enhance utilisation of the capacity and thereby reducing potential loss of revenue. This particular aspect of the matter does not appear to have been considered. The Committee, therefore, reiterate their earlier recommendation that the level of utilisation of exchange capacity should be assessed only with reference to the lines actually in operation and not merely based on the issue of sanctions for utilisation. The Committee would like to know whether 90% of the new 20,000 switching capacity installed in March, 1989 are utilised and since when. |

LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK SABHA
SECRETARIAT PUBLICATIONS

| Sl. No. | Name of Agent | Sl. No. | Name of Agent |
|-----------------------|--|----------------------|--|
| ANDHRA PRADESH | | UTTAR PRADESH | |
| 1. | M/s. Vijay Book Agency, 11-1-477, Mylargadda, Secunderabad-500 361. | 12. | Law Publishers, Sardar Patel Marg, P.B. No. 77, Allahabad, U.P. |
| BIHAR | | WEST BENGAL | |
| 2. | M/s. Crown Book Depot., Upper Bazar, Ranchi (Bihar). | 13. | M/s. Madimala, Buys & Sells, 123, Bow Bazar Street, Calcutta-1. |
| GUJARAT | | DELHI | |
| 3. | The New Order Book Company, Ellis Bridge, Ahmedabad-380 006. (T. No. 79065) | 14. | M/s. Jain Book Agency, C-9, Connaught Place, New Delhi, (T.No. 351663 & 350806) |
| MADHYA PRADESH | | 15. | M/s. J.M. Jaina & Brothers, P. Box 1020, Mori Gate, Delhi-110006 (T.No. 2915064 & 230936). |
| 4. | Modern Book House, Shiv Vilas Place, Indore City (T.No. 35289). | 16. | M/s. Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi-110001. (T. No. 3315308 & 45896) |
| MAHARASHTRA | | 17. | M/s. Bookwell, 2/72, Sant Nirankari Colony, Kingsway Camp, Delhi-110 009. (T. No. 7112309). |
| 5. | M/s. Sunderdas Gian Chand, 601, Girgaum Road, Near Princes Street, Bombay-400 002. | 18. | M/s. Rajendra Book Agency, IV-DR59, Lajpat Nagar; Old Double Storey, New Delhi-110 024. (T. No, 6412362 & 6412131). |
| 6. | The International Book Service, Deccan Gymkhana, Poona-4. | 19. | M/s. Ashok Book Agency, BH-82, Poorvi Shalimar Bagh, Delhi-110 033. |
| 7. | The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-400 001. | 20. | M/s. Venus Enterprises, B-2/85, Phase-II, Ashok Vihar, Delhi. |
| 8. | M/s. Usha Book Depot, 'Law Book Seller and Publishers' Agents Govt. Publications, 585, Chira Bazar, Khan House, Bombay-400 002. | 21. | M/s. Central News Agency Pvt. Ltd., 23/90, Connaught Circus, New Delhi-110 001. (T. No. 344448. 322705, 344478 & 344508). |
| 9. | M & J Services, Publishers, Representa- tive Accounts & Law Book Sellers, Mohan Kunj, Ground Floor, 68, Jyotiba Fuele Road Nalgaum, Dadar, Bombay-400 014. | 22. | M/s. Amrit Book Co., N-21, Connaught Circus, New Delhi. |
| 10. | Subscribers Subscription Services India, 21, Raghunath Dadaji Street, 2nd Floor, Bombay-400 001. | 23. | M/s. Books India Corporation Pub- lishers, Importers & Exporters, L-27, Shastri Nagar, Delhi-110 052. (T. No. 269631 & 714465). |
| TAMIL NADU | | 24. | M/s. Sangam Book Depot, 4378/4B, Murari Lal Street, Ansari Road, Darya Ganj, New Delhi-110 002. |
| 11. | M/s. M.M. Subscription Agencies, 14th Murali Street (1st Floor), Mahalingapuram, Nungambakkam, Madras-600 034. (T.No. 476558) | | |